



City of Miami Springs, Florida

The Miami Springs City Council held a **SPECIAL MEETING** in the Council Chambers at City Hall on Thursday, July 24, 2008, at 5:01 p.m.

1. Call to Order/Roll Call

The meeting was called to order at 5:02 p.m.

The following were present:

Mayor Billy Bain
Vice Mayor Xavier Garcia
Councilman Bob Best
Councilman Paul C. Dotson
Councilman Rob Youngs

Also Present:

City Manager James R. Borgmann
Assistant City Manager Ronald K. Gorland
Finance Director Leacroft E. Robinson
Interim Comptroller Alicia E. González
Public Works Director Robert T. Williams
Human Resources Director Loretta M. Boucher
City Clerk Magalí Valls

2. Invocation: Mayor Bain offered the invocation.

Salute to the Flag: The audience participated.

3. Resolution – A Resolution of the City Council of the City of Miami Springs Setting Tentative Operating and Debt Service Ad Valorem Millage Levies for Fiscal Year 2008/2009; Setting Time, Date and Place for Public Hearings on the Proposed 2008/2009 Budget and Tentative Millage Rate

City Manager Borgmann stated that the law requires the City to set a tentative millage rate for the ad valorem tax structure, which must be submitted to the State and the County no later than August 1st.

City Manager Borgmann read the resolution by title. He stated that his memorandum includes a list of several issues that the City is faced with this particular year. There are ten items of major importance as well as capital projects that Council might want to consider.

There was a loss of \$440,000 to the General Fund from the management fee formerly provided by the Water and Sewer Department, according to Mr. Borgmann. The Public Works employees will be placed on a five by eight work week, meaning five days a week, eight hours a day, rather than four days by ten hours. This will help with daily personnel needs previously covered by the Water and Sewer Department.

Councilman Dotson asked how the employees received the information regarding the new work schedule.

The City Manager responded that Public Works Director Robert Williams had prepared the employees who are aware of the new schedule. He advised them that the new schedule is needed due to the loss of the additional manpower in the two divisions.

City Manager Borgmann continued his review of the following budget highlights:

- The Recreation Director position was added back into the budget to begin programming all activities for the new community center.
- The Florida Power and Light bill for electricity will increase by an average of 12%, although it is a 16% increase, but the implementation averages the cost.
- Fuel and chemicals will increase over last year's budget, thereby increasing the cost of delivering supplies to the City.
- There is an automatic cost of living allowance (COLA) of 5% and merit step increases of 5%, both by PBA contract, to the Police totaling \$163,500.
- A 3% COLA is recommended for General employees totaling approximately \$86,950. The CPI for Miami-Fort Lauderdale through June was 5.8%.
- Health insurance will increase by 10-20%, which the Administration hopes to reduce by going out to bid and allowing companies rate "B+" or higher to bid. In the past the City only allowed "A-" and above to bid.
- The County informed the City that the elections next year will cost approximately \$70,000, which is reflected in the City Clerk's budget.
- Debt service for the new community center will be \$130,000 for the first year (interest only). The amount has already been "netted out" of the revenue sharing line item in the revenue chart.

There are certain capital projects that were not added, as Council must give more direction. Specifically the Administration would like to know how to proceed on the following:

1. Six new tennis courts at the Golf Course. Preliminary estimates from two companies place this project in the \$500,000 range, not including buildings or shade structures.
2. Estimates for a new 10,000 square foot skateboard park with basic obstacles came in around \$150,000. If new tennis courts are built, the current tennis courts could be utilized for the Skate Park and outdoor basketball courts, which would save a considerable amount over building a completely new venue.
3. Construction of a sound barrier for TRANE A/C unit on the roof of City Hall is quoted at \$10,000.
4. New parking garage/deck with the size, location and cost to be determined. The garage could cost approximately \$30,000 per space.
5. The irrigation system for the Golf Course estimated to cost \$1,700,000.
6. Replacement of the current mainframe computer (IBM AS400) for \$50,000 or outsource the current system to an off-site provider.
7. Ludlam bike path permanent reconstruction with concrete for \$500,000.
8. Replace jogging path around Stafford park with concrete: no estimate yet.
9. Additional funding/contributions for the hurricane fund (currently at \$500,000).

City Manager Borgmann presented a chart showing projected changes in the fund balance for the General Fund, including figures for Fiscal Year 2005-2006, Fiscal Year 2006-2007 actual, Fiscal Year 2007-2008 amended and the projection for Fiscal Year 2008-2009. Since the chart reflects a deficit of revenues over expenditures totaling \$108,148, this must be addressed during the August budget workshops by reducing expenses.

City Manager Borgmann explained that the roll back rate is a millage rate that is less than the current rate and this number increased due to the tax reform. The current millage rate is 6.300 and the roll back rate is 6.405. Council can approve that number or a larger number as the tentative millage rate, but once this number is set it cannot be increased.

The roll back rate will generate tax revenue of \$6.660 million, whereas last year's millage rate of 6.300 produced \$6.661 million, according to Mr. Borgmann. The franchise fees and public services taxes are expected to increase, as well as licenses and fees. Intergovernmental revenues reflect a net reduction of \$130,000 for the interest on the bank loan, and a separate fund will be established for the construction of the new community center.

City Manager Borgmann stated that the Administration will make recommendations for increases in charges for services. Additional revenues include fines and forfeitures, interest income, miscellaneous and interfund transfers. The Fiscal Year 2008-2009 budget reflects revenues totaling \$12,415,444, versus \$12,750,269 for last year, or a 2.6% decrease.

On the expenditure side, some department budgets increased and others have been reduced. The City Clerk's budget increased due to additional election expenses and the City Manager's budget increased due to the inclusion of the grant writer. The Administration is trying to reduce the non-departmental budget so that the expenses are included in the budget for the department that is in charge of the particular expenditure; for example, the fireworks expense was included in Recreation.

The Public Works Department numbers vary due to many vacant or temporary positions last year due to the uncertainty of the time frame for the transfer of the Water and Sewer system. Recreation in general is down in many categories, except for maintenance. The Tennis budget drops from \$115,572 down to \$21,441 or 81% due to privatizing the activity.

City Manager Borgmann reported that expenditures for Fiscal Year 2008-2009 are almost identical to Fiscal Year 2007-2008, and there is a deficit of \$108,148 due to decreased revenue. By setting the tentative millage rate Council is not passing a budget; Council must work to balance the budget by reducing expenditures.

City Manager Borgmann added that Finance Director Robinson would explain the numbers related to proceeds from debt in the contingency fund. It appears that the Golf Course would have to be subsidized for approximately \$185,000, which must be carefully reviewed to see what is creating the increase and to consider what can be done to change the operation to reduce that amount.

Councilman Dotson said that he is interested in knowing when Council will receive the budget books because the first workshop meeting is scheduled for August 4th. He would like to receive the book one week in advance in order to be able to study the numbers or else postpone the workshop.

Councilman Dotson stated that the surplus for the current year was projected to be approximately \$800,000 and now the indication is \$226,000. He asked if something happened in the third quarter.

Finance Director Robinson responded that at the end of the second quarter the projection was an increase in the \$5.6 million fund balance of approximately \$200,000.

Councilman Dotson said that it would have been helpful to have the third quarter report.

Finance Director Robinson reported that the numbers for June were finalized and the third quarter financial report is scheduled to be presented at the first meeting on August 11th. The \$500,000 hurricane contingency is designated as part of the fund balance, as well as the capital fund transfer for the community center.

To answer Councilman Dotson's question, City Manager Borgmann stated that Council designated \$500,000 toward the community center and there was \$1.1 million remaining that was not allocated for any specific project.

Finance Director Robinson clarified that \$1 million was earmarked for the community center. He said that the funds would not affect revenue for Fiscal Year 2008-2009.

Councilman Dotson stated that \$1 million would come from the reserves for the community center.

Finance Director Robinson said that the ending fund balance totaling \$5,611,000 plus an additional \$205,000 would total approximately \$5.8 million, which would be reduced to \$4.3 million for Fiscal Year 2008-2009, not including the additional \$500,000 for the community center.

Finance Director Robinson explained that the hurricane fund is a roll over commitment. There is a balance of \$358,000 in reserve for this year's contingency and if there is no hurricane this year there would be no need to make an addition to the fund.

City Manager Borgmann referred to the personnel comparison by department noting that the numbers are subject to change, but the bottom line remains the same. The number of employees has been reduced from 149 full time employees in Fiscal Year 2006-2007 to 127 for Fiscal Year 2008-2009, due to the elimination of the positions related to the transfer of the Water and Sewer systems.

City Manager Borgmann stated that the Finance Director prepared a chart based on the DR420 form that is required by the State. Reducing the millage rate would require a majority vote, while maintaining the current millage rate would require a 2/3 vote or 4 out of 5, which would reduce revenue by \$135,905. Adopting the current roll back rate would require a 2/3 vote, which realizes a net change of -\$742. The current roll back rate adjusted for personal income would require a 4 out of 5 vote, raising the millage rate to 6.6974 and the current year maximum millage rate allowed by law of 7.3671 would require a 4 out of 5 vote.

City Manager Borgmann commented that the Administration has tried to keep the revenue even, with no increase for the average homesteaded property in the City. A millage rate for the debt service on the bond payment for the Golf Course must be set, which is calculated at 0.3687 mills.

City Manager Borgmann read the resolution in its entirety, setting the tentative millage levy at 6.4305 mills and 0.3687 mills as the official general debt service millage levy.

Vice Mayor Garcia moved to adopt the resolution. Councilman Youngs seconded the motion.

Councilman Dotson stated that he would vote to approve the resolution but that he will work to reduce the rate to 6.000 because he wants the residents to realize the savings based on the increased homestead exemption.

The motion carried 5-0 on roll call vote (Resolution No. 2008-3401).

4. Resolution – A Resolution of the City Council of the City of Miami Springs Authorizing the City’s Application for a Matching Grant from the State of Florida Department of Elder Affairs Grant Opportunity Senior Centers Fixed Capital Outlay (FCO) Project for Improvements to the West Entrance of our Senior Center; Authorizing the Amendment of the City’s Capital Improvement Plan and Budget to Provide the Required Grant Match Funding; Effective Date

City Manager Borgmann read the resolution by title. He stated that \$6,000 would be set aside for the City’s match.

Vice Mayor Garcia moved to adopt the resolution. Councilman Best seconded the motion which was carried 5-0 on roll call vote (Resolution No. 2008-3402).

City Manager Borgmann reported that the annexation numbers were ready. He distributed preliminary charts and asked Council to call him if they had questions. He said that the numbers were not complete, but they give an indication of how to proceed.

Councilman Best commented that recent reports indicate there is a major amount of land being annexed in Miami-Dade County.

City Manager Borgmann stated that many cities had been working on annexation for a while, including Miami Shores and Florida City. He said that it is interesting to read the material to see the annexation process and the requirements.

Councilman Dotson inquired about the meeting that was supposed to have been scheduled with Commissioner Sosa.

Mayor Bain explained that the numbers from the County came in late. He had discussions almost daily with Virginia Gardens Mayor Deno and he would like to review the latest numbers in order to be able to make a decision at the next meeting.

City Manager Borgmann reported that the information for the MIC area is not included in the chart. He is trying to obtain more information and it appears that the cost of police services would absorb the vast majority of the revenue surplus for that area. The millage rate would determine whether or not it would be feasible. He also does not have the numbers for the additional staff for the various departments.

Councilman Dotson recalled that City Attorney Seiden said that he would draft some language for an Interlocal Agreement based on the discussion at the Special Meeting.

City Manager Borgmann explained that the City Attorney drafted a Statement of Position from the City Council. He said that Council should have received a draft via e-mail.

Mayor Bain would like to clarify before the next meeting if a resolution is needed between Miami Springs and Virginia Gardens at least forty-five days before the matter is presented to the County Commission.

City Manager Borgmann responded that a resolution is definitely required as part of the process.

Mayor Bain reiterated that he would like clarification about the time frame for the resolution between the cities.

Councilman Youngs stated that previous applications required a resolution of the adjacent cities supporting the application. The Mayor is asking if there is a number of days lead time and once Council reviews the numbers they could decide if a Special Meeting is necessary.

Councilman Dotson said that he is interested in the numbers, but he does not know how they would alter Council discussions.

Councilman Youngs suggested that Mayor Bain could continue discussions with Mayor Deno to obtain the resolution consistent with what Council indicated would be a fair division.

Councilman Dotson felt that Council as a group must understand what a fair distribution is, and he has confidence in the Mayor to carry the torch. He wonders if Council had altered their decision.

Mayor Bain responded that Council's decision had not been altered during his discussions with Mayor Deno.

Councilman Youngs stated that the boundaries were conditioned upon approval of Area 9 and the numbers would indicate if this decision would change. Council's position has not changed; the idea is to look at the numbers in order to see if a change is required.

City Manager Borgmann recalled that Council set the southern boundary at N. W. 36th Street.

Mayor Bain added that Council had not committed to Area 9 because they were waiting to review the numbers.

City Manager Borgmann said that the chart indicates that the value of Area 9 decreased by approximately \$7 million. There is a significant amount of land surrounding the MIC for rights-of-way and parking that has been taken off the tax roll because it is under the jurisdiction of the Florida Department of Transportation or Miami-Dade County Expressway Authority.

5. Adjourn.

There being no further business to be discussed the meeting was adjourned at 5:49 p.m.

Billy Bain
Mayor

ATTEST:

Magalí Valls, CMC
City Clerk

Approved as written during meeting of: 8/11/2008.

Transcription assistance provided by S. Hitaffer